

# NIH Policy Manual

## 1500-15 - Travel and Transportation Reform Act of 1998 Requirements

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### Transmittal Notice

1. **Explanation of Material Transmitted:** The material transmitted contains amended language in line with the travel policies and procedures contained in **NIH Manual 1500 Chapter 15 "Travel and Transportation Reform Act of 1998 Requirements"**. These changes are necessitated by FTR Amendment 92, "Mandatory Use of the Travel Charge Card".

2. **Filing Instructions:**

(a) Under 15-01-C-2: INSERT section **h** as follows:

h. Relocation allowances as prescribed in FTR Chapter 302 (except for en route travel and househunting trips).

(b) Under 15-01-D-2: INSERT new section **c** as follows:

c. Relocation allowances as prescribed in FTR Chapter 302 inclusive of en route travel and househunting trips (the two allowances which are not covered by the Government-wide exemption).

(c) Under 15-02-C-1:

Following the last paragraph which ends " ... the IC Approving Official should take the appropriate steps to pay this voucher in the most expeditious manner."

**INSERT:** NOTE: Effective May 1, 2002, the seven calendar day time frame will become a mandated maximum notification period.

(d) Under 15-02-C-2:

Following the last paragraph which ends "Should the employee have a dispute concerning a Travel Voucher claim, they should contact their respective IC Executive Officer for further guidance.

**INSERT:** Claims for the following relocation allowances are exempt from the requirement to pay proper travel claims within 30 calendar days of submission or to pay

a late payment fee:

- Transportation and storage of household goods and professional books, papers, and equipment;
- Transportation of privately owned vehicle or mobile home;
- Temporary quarters subsistence expense, when not paid as a lump sum;
- Residence transaction expenses;
- Relocation income tax allowance; and
- Use of relocation services companies, home marketing incentive payments, and property management services allowances.

Claims for en route travel and househunting trips remain subject to the requirement to pay proper travel claims within 30 calendar days of submission or to pay a late payment fee.

**Partial Revisions: 9/5/06\***

**\*NIH Manual 1500 Chapter 15 was revised 9/5/06 to reflect revised HHS policy on handling use and misuse of the Government-issued travel charge card.**

**PLEASE NOTE:** For information on:

- Content of this chapter, contact the Office of Financial Management on 301-496-4379 or 301-402-8831.
- NIH Manual System, contact the Office of Management Assessment, OA on 301-496-2832.
- On-line information, enter this URL: <https://oma.od.nih.gov/DMS/Pages/Manual-Chapters.aspx>

## **1500-15-00. Travel and Transportation Reform Act of 1998 Requirements**

### **A. Purpose**

This chapter sets forth Department and NIH policy guidance with respect to GSA regulations implementing the Travel and Transportation Reform Act of 1998, ("TTRA") P.L. 105-264 (October 19, 1998), 5 U.S.C. 5701, note. It applies to civilian employees and is effective for travel performed after February 29, 2000.

**NOTE 1:** Non-FTE persons ( IRTA's, CRTA's, Visiting Fellows, Guest Researchers, Special Volunteers, and IPA Detailees) are not covered by the requirements set forth in the TTRA of 1998. (For additional information on Non-FTE person travel, see NIH Manual 1500 Chapter 10-00, pending release).

**NOTE 2:** Commissioned Officers of the Public Health Service are covered under the Department of Defense's Joint Federal Travel Regulations. The HHS Division of

Commissioned Personnel (DCP), a component of the Program Support Center, issues separate travel policy guidance for Commissioned Officers. Commissioned Officers, for the purpose of this chapter's requirements, will be considered as employees.

## **B. Authority**

Information and legislative background used in these guidelines, and which can be referenced in detail, are contained in the Federal Travel Regulations ([FTR](#)) Amendment 90, Parts 301-51, 301-52, 301-70, 301-71, and Appendix C to Chapter 301.

## **C. Delegations of Authority**

The Director, NIH has delegated authority, to grant exemptions to mandatory use of the travel card requirements for individual payments or persons when it is determined necessary in the interest of NIH and under exceptional or unusual circumstances. (See NIH Manual Issuance 1130 [Travel No. 16](#)).

## **D. Definitions**

1. **Employee.** An individual employed in or under an agency, including a member of any of the uniformed services, regardless of status or rank; or an individual employed intermittently in Government service as an expert or consultant paid on a daily when-actually-employed (WAE) basis; or an individual serving without pay or at \$1 a year (also referred to as "invitational traveler"). See TTRA, section 2(d)(3)(B); FTR Chapter 301-1.2. For the purpose of this chapter, appointed Service Fellows and Federal Advisory Council Members are considered as employees.
2. **Frequent Traveler.** An individual who is expected to take 6 or more trips per fiscal year (See HHS Travel Manual Chapter 9).

## **1500-15-01. Mandatory Use of Travel Card**

### **A. Policy**

NIH employees are required to use the Government contractor-issued individual travel charge card for all official travel expenses, including cash advances through the ATM machine, unless they have an exemption. Use of the Government contractor-issued centrally billed account (Government Travel Account administered by the Travel Management Center) for payment of transportation tickets, meets the mandatory travel card requirement. Employees must pay bills for use of the travel card in accordance with the terms of the cardholder's agreement they sign with the contractor. Employees may not use the travel charge card for purposes other than those associated with official travel. Also, the travel charge card may only be used for official travel and official travel-related expenses when employees are away from their official duty station.

FTR Guidelines:

1. FTR Amendment 90, Part 301-51 Paying Travel Expenses
2. FTR Amendment 90, Part 301-70 Internal Policy and Procedure Requirements

## **B. Authority to Grant Exemptions**

The Director, NIH, has delegated authority to grant exemptions to mandatory use of the travel card requirements determined necessary in the interest of the NIH for individual payments or persons. Further redelegation of this authority is granted to the IC Executive Officers and the OD Executive Officer (See NIH Manual 1130 [Travel No. 16.](#)) **NOTE:** All exemption requests must be sent to the OFM Travel, Fellowships, and Cashiers Office in order that proper written notification of such exemptions can be forwarded to the Administrator, General Services.

(For additional information, see 1500-15-01([E](#))).

## **C. Government-wide Exemptions**

FTR 301-51.2 specifies the following exemptions to mandatory use of the Government contractor-issued travel charge card:

### **1. Exemptions of Employees:**

- a. Employees with an application pending for the travel charge card (this includes applications for new or replacement cards)
- b. Individuals engaging in invitational travel ( these are individuals who are serving without pay or at \$1 per year who are invited by OPDIV officials to confer on Government business).
- c. New appointees
- d. Employees who travel 5 times or less per fiscal year, although an agency may issue travel charge cards to such employees, in its discretion.

### **2. Exemptions of Types or Classes of Payments**

- a. Expenses incurred at a vendor who does not accept the Government contractor-issued travel charge card
- b. Laundry/dry cleaning
- c. Parking
- d. Local transportation system (buses, subways, etc.)
- e. Taxi
- f. Tips
- g. Meals (when use of the card is impractical, i.e., group meals or the Government travel card is not accepted)
- h. Relocation allowances as prescribed in FTR Chapter 302 (except for en route travel and househunting trips).
- i. Phone calls (when a Government calling card is available for use in accordance with agency policy).

## **D. Department-wide Exemptions**

In addition to the above Government-wide exemptions, the Deputy Assistant Secretary for Finance/OS has authorized the following exemptions for HHS persons:

### **1. Exemptions of HHS Personnel:**

- a. Temporary employees whose appointment is less than 120 days
- b. Intermittent consultants and experts paid on a daily WAE basis who serve less than 130 days per year
- c. Temporary consultants and experts who are employed on a regular full time basis for less than one year but for more than 130 days
- d. Members of Advisory Councils and Advisory Committees
- e. Short tours of duty (Commissioned Officers as per DCP guidance)

### **2. Exemptions of Types or Classes of Payments**

- a. Telephone calls
- b. Purchases costing less than \$10
- c. Relocation allowances as prescribed in FTR Chapter 302 inclusive of en route travel and househunting trips (the two allowances which are not covered by the Government-wide exemption).

## **E. Granting Exemptions at NIH for Individual Persons or Payments**

The following information must be included in a written exemption memorandum to an NIH employee ( a copy of this memorandum is to be forwarded to the OFM Travel, Fellowships, and Cashiers Office):

1. Letterhead specifying Operating Division and Institute or Center
2. Date: Date exemption is issued
3. To: Name of employee receiving the exemption
4. From: Title of official granting the exemption
5. Subject: Exemption from Mandatory Travel Card Use
6. Body of memorandum should describe:
  - a. What the exemption is for e.g., person is exempted or type of payment is exempted;
  - b. Duration of the exemption e.g., specific travel dates or indefinite; and

- c. Reason for the exemption e.g., person's travel card was canceled due to unpaid balance, etc.
- d. Name and signature of Authorizing Official

**NOTE: Individual exemptions should only be granted under exceptional or unusual circumstances when it is determined to be necessary and in the interest of the NIH.**

## **F. Refusal to Apply for and/or Use of the Government Contractor-Issued Travel Charge Card**

Employees who refuse to apply for the travel charge card and who are not covered by an exemption, or use the travel charge card for purposes other than those associated with official travel, shall not be authorized for a cash travel advance and may be subject to disciplinary action by NIH management. Employees may not use the travel charge card to make personal purchases or ATM withdrawals unrelated to official travel.

## **G. Improper Use of the Government Travel Charge Card**

The travel charge card must only be used for official transportation and related travel expenses. Employees shall not use the travel charge card to make personal purchases or ATM withdrawals for personal use.

## **H. Use of Government Travel Charge Card in the Local Travel Area**

It is HHS policy that the travel charge card may only be used for official business expenses connected with TDY travel or a relocation move situation. The travel charge card may not be used for expenses in the local travel area unless, 1) A Travel Authorization has been issued in accordance with one of the exceptions outlined in NIH Manual 1500-06-01(C); or 2) An employee is conducting a site visit and requires use of a rental car. In this case, the employee must use his/her travel charge card for procurement of the rental car services.

## **I. Responsibility to Pay Travel Charge Card Bills in Accordance With Cardholder Agreement**

Employees are responsible for reading and adhering to the policies and procedures specified in the cardholder agreement they sign in order to obtain a Government contractor-issued travel card. Under the cardholder agreement currently in place with the U.S. Bank, the travel card bill is due and payable in full when delivered at the employee's billing address. The employee is liable to the contractor for full payment of all charges authorized by the employee, independent of any agreement or program reimbursement that may exist between the employee and NIH. Under FTR 301-52.24, employees must pay amounts owed to the contractor in accordance with the cardholder agreement, even if the NIH fails to reimburse the employee within 30 days receipt of submission of a proper voucher.

**NOTE:** The cardholder agreement informs employees about how to handle disputed charges on their billing statement. The employee should follow these procedures by submitting a signed Cardholder Statement of a Questioned Item Form to the Bank within 60 days of the statement date on which the original transaction appears. Once the Form is received, the Bank will issue a temporary credit to the employee's account while the disputed item(s) is being researched. While the Bank is conducting this investigation, the cardholder is not required to pay the amount of the disputed charge and it will not be considered past due.

## **J. Internal Controls Over Government Contractor-Issued Travel Charge Card**

Each IC Executive Officer or his or her designee is responsible for establishing appropriate management controls over the travel card program to ensure compliance with FTR requirements, HHS policies and procedures (See HHS Travel Manual Chapter 9-00), and the HHS task order with the Contractor. Compliance with the HHS task order entails overseeing that individual cardholders are following the terms of their Cardholder Agreements and that Contractor-issued monthly reports are being reviewed for proper use of the card. The IC officials referenced above are also responsible for providing guidance on disciplinary issues, including when employees misuse the travel card. Employees who fail or refuse to adhere to the requirement for mandatory use of the travel card, or who improperly use the card, are subject to disciplinary or adverse action. Delegated Officials should consult their servicing Human Resources Office for appropriate penalties and assistance in taking action against such employees.

### **1500-15-02. Late Payment Penalties for Travel Vouchers**

#### **A. Policy**

NIH employees and other travelers must submit a [Travel Voucher](#) within five working days upon completion of their trip or period of travel. When an employee submits a Travel Voucher, the NIH reviewing/approving office **must** notify the employee within **seven calendar days** after receipt of any error (i.e., improper voucher or disallowed expense item) that will prevent payment within 30 calendar days after submission. NIH must pay the employee within 30 calendar days after the traveler's voucher is deemed proper or pay a late payment fee, in addition to the vouchered amount.

**NOTE: 1)** This regulation states that the 30 day clock starts when the employee submits a proper voucher for review by the IC - this includes reviews by clerks, administrative officers, intermediate supervisors, etc. **NOTE: 2)** This requirement should not be a problem to implement, given that the travel order and voucher are properly processed through the NBS. Most vouchers are currently paid within three days after certification in the NBS. **NOTE: 3)** Late penalty payments will be applied to TDY Travel, Local Travel, and Relocation Travel.

FTR Guidelines:

1. FTR Amendment 90, Part 301-52 Claiming Reimbursement
2. FTR Amendment 90, Part 301-71 Agency Travel Accountability Requirements
3. Appendix C to Chapter 301 - Standard Data Elements for Federal Travel

## **B. Elements of a Proper Travel Voucher**

The traveler must submit a Travel Voucher in accordance with NIH administrative procedures and NBS systems requirements. A proper voucher will include the elements specified in the FTR 301-52.1 through 301-52.4 and Appendix C to Chapter 301- Travel Expense Information. FTR 301-52.8 through 301-52.11 provide guidance on when agencies can disallow a travel claim and steps a traveler should follow when a claim is disallowed. In preparing and approving vouchers, travelers and approving officials should review and follow these FTR guidelines and any supplemental guidance issued by this Office.

Typical Travel Voucher elements (not all inclusive) are:

- Traveler's name, address, and social security number
- Official Duty Station
- Travel Authorization number and date
- Travel Advance outstanding and remaining balances
- Ticket information for air, rail, or other common carrier transportation
- Itemized list of travel points, departure and arrival dates (including any non-duty points visited when employee travels by an indirect route other than a stopover, such as to change planes)
- Type of leave and number of hours of leave for each travel day
- Itemized list of reimbursable expenses by travel day (i.e., per diem or subsistence, common carrier and local transportation, including rental cars, privately-owned vehicles, taxis, buses, etc., and miscellaneous expenses, including hotel taxes, phone calls, laundry, etc.).

Common supporting attachments (not all inclusive) include:

- Receipts for all lodging and receipts for single purchases of transportation or miscellaneous expense items exceeding \$75
- Travel Authorization with approving official's signature (hard copy or electronic) and designation of funds certification (hard copy or electronic)
- Documentation of any necessary special authorizations (i.e., premium-class travel, use of cash to pay for common carrier, etc. See FTR 301-2.5 for list of travel arrangements requiring specific authorization or prior approval.

Proper Travel Vouchers must be in the appropriate format (hard copy SF 1012 or electronic version) . Hard copy vouchers must be signed and dated by the traveler and by the approving official in ink and electronic vouchers must be submitted under the password controls established within the system.

## C. Calculation of Late Payment Penalties

1. **Establishing an IC 25 Day Clock for TDY and Local Travel**. The Center for Information Technology (CIT) via the NBS will establish the tracking mechanism that determines the date that a proper Travel Voucher for TDY Travel or Local Travel is submitted to the first-level reviewing official for ultimate pay approval by the approving official. Pay approval at the IC level must occur **within** 25 calendar days from the date that the first-level reviewing official examines the voucher (i.e. date of submission) thus, establishing an IC 25 day clock. Once pay approval occurs in the IC, voucher reimbursement (direct deposit or paper check) will normally be released by Treasury within three calendar days which would result in a 28 day process, avoiding any potential for an interest penalty payment requirement.

The 25 day clock for the pay approval process may be adjusted in the following scenario:

When a voucher is returned to the traveler within the seven calendar day time frame due to an inappropriate voucher or disallowed expense, the IC 25 day clock will start when the voucher is resubmitted to the first reviewer with the additional supporting facts or documentation.

When a voucher is returned to the traveler after the seven calendar day time frame due to an inappropriate voucher or disallowed expense, the same process described above will take place. However, due to the extra time that has elapsed, the IC Approving Official should take the appropriate steps to pay this voucher in the most expeditious manner.

2. **Establishing a 30 Day Clock for Relocation Travel and Other Manual Travel Vouchers**. A 30 day clock will start on the day the voucher is submitted to the OFM Travel, Fellowships, and Cashiers Office where the voucher will be date-stamped for processing. When a voucher is returned to the IC or to the OD/ Transportation Management Division (TMD)/Logistics Office accordingly, within the seven calendar day time frame due to an inappropriate voucher or disallowed expense, the IC 30 day clock will start when the voucher is resubmitted to OFM with the additional supporting facts or documentation.

If a voucher is sent back to the IC or the OD/ TMD/Logistics Office after the seven calendar day time frame due to an inappropriate voucher or disallowed expense, the same process described above will take place. However, due to the extra time that has elapsed, it will be incumbent upon those Offices and the OFM to rectify the problem in the most expeditious manner.

The NIH will pay late penalties on travel voucher amounts under the following conditions: 1) the travel claim has been submitted on a proper voucher; 2) the claimed expenses have not been disallowed, and 3) payment has not been made within 30

calendar days of the employee's submission of a proper voucher to the first reviewer. Payment will be considered to be made on the settlement date for an electronic funds transfer (EFT) payment or the date of the check for a check payment. Should the employee have a dispute concerning a Travel Voucher claim, they should contact their respective IC Executive Officer for further guidance.

Claims for the following relocation allowances are exempt from the requirement to pay proper travel claims within 30 calendar days of submission or to pay a late payment fee:

Claims for en route travel and househunting trips remain subject to the requirement to pay proper travel claims within 30 calendar days of submission or to pay a late payment fee.

**NOTE:** Delay or failure by an employee to respond to a request for banking information to enable voucher payment by Electronic Funds Transfer, instead of check, will not delay or stop the 30-day clock for payment and the assessment of a late payment fee.

- Transportation and storage of household goods and professional books, papers, and equipment;
- Transportation of privately owned vehicle or mobile home;
- Temporary quarters subsistence expense, when not paid as a lump sum;
- Residence transaction expenses;
- Relocation income tax allowance; and
- Use of relocation services companies, home marketing incentive payments, and property management services allowances.

### **3. Late Payment Fees.**

- a. A late payment fee (interest) will be calculated using the prevailing Prompt Payment Act Interest Rate beginning on the 31<sup>st</sup> day after the required payment date and ending on the date on which payment is made.
- b. NIH will not pay late payment (interest) fees of less than one dollar.
- c. The NIH Office of Finance will report late payment (interest) income on [IRS Form 1099-INT "Interest Income"](#) in accordance with guidelines issued by the IRS. Current IRS guidelines state that interest paid in the course of business should be reported only if the interest totals \$600 or more for the tax year. For additional information, you can reference the HHS Departmental Accounting Manual, Chapter 10-70, "Filing and Reporting Form 1099 Information Returns with the Internal Revenue Service".
- d. An additional amount equivalent to any late payment charge that the card contractor would have been able to charge the employee had the bill not been paid, will also be paid to the traveler. Under the current bank card contract, the bank may impose a monthly 2.5 percent late fee on outstanding balances for accounts which meet cancellation criteria, when they are between 120 and 180 days old. After 180 days, the bank is required under banking regulations to

charge off the account and refer it to a collection agency; no additional late fees are imposed. This equivalent fee will be considered as an additional wage and will be reported on "Form W-2 Wage and Tax Statement", in accordance with IRS requirements. OFM will use the following formula to determine if a late payment charge is due under this provision and the amount:

1. If it is less than 120 calendar days since the traveler submitted a proper voucher then, no late payment fee is due under this provision.
2. If it is 120 to 149 calendar days since the traveler submitted a proper voucher then, the late payment fee under this provision is: (\$ amount of allowed expenses on voucher) times (2.5 percent).

EXAMPLE: \$2,500 times .025 equals a late payment fee of \$62.50.

3. If it is 150 to 180 days since the traveler submitted a proper voucher then, the late payment fee under this provision is:(\$ amount of allowed expenses on voucher) times 1.025 times 1.025 minus (\$ amount of allowed expenses on voucher)

EXAMPLE: \$2,500 times 1.025 times 1.025 minus \$2,500 equals a late payment fee of \$126.56

### **1500-15-03. Collection of Undisputed Delinquent Travel Card Debts**

#### **A. Policy**

The FTR allows, but does not require, NIH to collect undisputed, delinquent travel card debts from their employees' pay for the contractor. HHS will allow the NIH to perform this debt collection activity for the contractor only when the contractor requests the NIH, in writing, to effect such an action. However, should a cardholder fail to pay their bill within the 120 day time frame (which results in the cardholder's account being canceled), this occurrence constitutes misuse of the card and therefore, is an event that is subject to disciplinary action (See 1500-15-01([J](#)) above).

FTR Guidelines:

1. FTR Amendment 90, Part 301-54 and Part 301-76 Collection of Undisputed Delinquent Amounts Owed to the Contractor Issuing the Individually Billed Travel Charge Card